be creating a new penalty—a new disincentive for America's families. We did not think that the tax code should deliver a new, so-called ''homemaker penalty''—where a family with only one wage earner is treated worse than a family where both spouses work. This is what would happen if we used a separate filing option. Many people have argued that tax policy should not discourage one parent from staying at home and raising the family. It is a laudable goal and one that I strongly support.

Retention of the equal treatment principle is especially important in a tax bill such as the one we have before us. Unlike last year's tax bill, this one does not include rate cuts or enhanced family tax credits. All America's taxpaying families have contributed to the tax overpayment in Washington today. All these families, therefore, deserve to receive some of the benefits that we are seeking to return to the American people. We should not pick out some married couples over others.

We should not be picking winners and losers from America's families in some Washington game of musical chairs. And that is what we would do if we left out those families where one spouse works maintaining a home and a family. Under the proposal offered by Democrats in the Finance Committee, over 17 million homemaker families would be left out of tax relief. In my state of Delaware, over 30,000 homemaker families would be left standing at the altar by the Democrats proposal.

Now let me take a few minutes and describe the provisions of our bill. First, we enlarge the standard deduction for married couples. Under current law, for the year 2000, the standard deduction for a single taxpayer is $4,400. The standard deduction for a married couple filing a joint return is $7,350. That means that for couples who use a standard deduction—and those are generally low and middle income couples—they are losing $1,450 in extra deductions each year. At a 28-percent tax rate, that lost deduction translates into an extra tax liability of $406 each and every year.

The Finance Committee bill increases the standard deduction for married couples so that it is twice the size of the standard deduction for singles, and we do that immediately, in 2001. When fully effective, this provision provides tax relief to approximately 25 million couples filing joint returns, including more than 6 million returns filed by senior citizens.

Increasing the standard deduction also has the added benefit of simplifying the Tax Code. Approximately 3 million couples who currently itemize their deductions will realize the simplification benefits of using the standard deduction.

Second, the Marriage Tax Relief Reconciliation Act of 2000 addresses the cause of the greatest dollar amount of the marriage tax penalty—the structure of the rate brackets. Under current law, the 15-percent rate bracket for single filers ends at taxable income of $26,250. The 15-percent rate bracket for married couples filing jointly ends with taxable income of $43,850, which one can see is less than twice the single rate bracket. In practical terms, that means that when two individuals who each earn taxable income of $30,000 get married and file a joint tax return, $8,650 of their income is taxed at the 28-percent rate rather than at the 15-percent rate that the income would have been subject to if they had remained single. The extra tax liability for that couple each year comes out to $1,125.

The Finance Committee bill remedies that fundamental unfairness. The bill adjusts the end point of the 15-percent rate bracket for married couples so that it is twice the sum of the end point of the bracket for single filers. Recognizing that the rate structure hurts all married couples, the bill also adjusts the end points of the 28-percent rate bracket as well.

When fully effective, this provision will provide tax relief to approximately 21 million couples filing joint returns, including more than 4 million returns filed by senior citizens.

Third, the Marriage Tax Relief Reconciliation Act of 2000 addresses the biggest source of the marriage tax penalty for low income, working families—the earned income credit. This complicated credit is determined by using a schedule for the number of qualifying children, and then multiplying the credit rate by the taxpayer's earned income up to a certain amount. The credit is phased out above certain income levels. What that means is that two people who are each receiving the earned income credit as singles may lose all or some of their credit when they get married.

In order to address that problem, the Finance Committee bill increases the beginning and ending points of the income levels of the phaseout of the credit for married couples filing a joint return. For a couple with two or more qualifying children, this could mean as much as $526 in extra credit. This provision would also expand the number of married couples who would be eligible for the credit. It will help almost 4 million families.

Fourth, the Marriage Tax Relief Reconciliation Act of 2000 tries to make sure that families can continue to receive the family tax credits that Congress has enacted over the past several years. Each year, an increasing number of American families are finding that their family tax credits—such as the child credit and the Hope Scholarship education credit—are being cut back or eliminated because of the alternative minimum tax. Last year, Congress made a small downpayment on this problem, temporarily carving out these family tax credits from the minimum tax calculations. This year, we are building on that bipartisan approach, by permanently extending the preservation of the family tax credits.

Because of this provision, millions of taxpayers will no longer face the burden of making minimum tax calculations for the purpose of determining the family tax credits they need.

Finally, the committee included a provision to ensure that we complied with the Budget Act. Because we were not allowed to decrease revenues outside of the period covered by the budget resolution—which is 5 years—the bill sunsets all of the provisions in the bill after 2004. It goes without saying that I do not think it is good policy to sunset these tax benefits. They should be permanent and I expect that they will be permanent when this bill is signed into law. Accordingly, I will propose an amendment to strike the sunset. I expect all of my colleagues to join with me in supporting that amendment.

How much does this marriage tax penalty relief help? It helps a lot. Over 45 million families will get marriage tax relief under this legislation. In my State of Delaware, over 100,000 families will benefit. Every family earning over $10,000 per year will see their tax bill fall at least 1 percent—except those at high income levels. The key to this legislation is that it helps the middle class. Sixty percent of this bill's tax relief goes to those families making $100,000 or less.

Who are these people? They are two married civil engineers, or a pharmacist who is married to a school teacher. They are the policeman and his wife who runs a small gift shop in Dover. They are the firefighter who is married to a social worker, or a librarian who is married to an accountant. These are the families who will benefit.

They will benefit even more, as you examine the impact this tax relief will have over time. Consider the effect if these tax savings were put away for their children's education and retirement. If a couple with two children making just $30,000 took their tax savings from this bill and put it into an education savings account like the one recently passed by the Senate, they would have $40,000 for those children's college education.

Based on the stock market's historical rate of return, that is $40,000 if they did not set aside another penny. If the family was that of two elementary school teachers with two children and earning average salaries of $70,000 combined, they would have $65,000 after 18 years.

If those two married school teachers then started to put their tax savings from this bill into a Roth IRA after 18 years, this same couple would have $224,100 when they retired 27 years later.

By transforming these tax savings into personal savings, we see that these real tax savings translate into real opportunities for these families.

And consider the effect on the economy. According to an analysis by the Heritage Foundation, in 2004 this marriage tax penalty relief legislation will